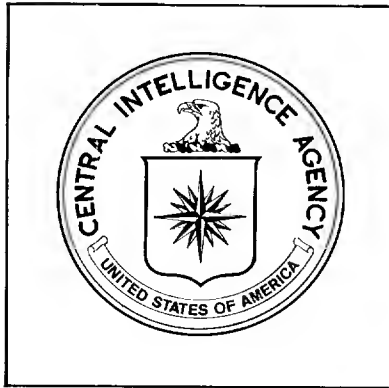


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Venezuela: Strike Ends--Issues Remain

A judicious show of force and behind-the-scenes pressure on striking miners have ended a wildcat strike that threatened to disrupt production in the newly nationalized iron ore industry. The state-owned corporation that now runs the mines guaranteed that no reprisals would be taken against the strikers, and that the issues that provoked the strike (see Trends May 21) would be negotiated along with a contract between it and the workers. This is basically the same formulation reached after a similar strike in late January and may prove equally ephemeral unless the government-dominated national labor confederation can get a better hold on the local unions and the government can convince the miners that the generous contract benefits granted by the former management will continue.

Despite the Perez administration's success in defeating a second wildcat strike in the iron mines this year, the affair has certainly stirred new doubts among the equally well paid petroleum workers as to how they will fare when their industry is nationalized later this year. Administration officials are convinced that after nationalization the petroleum industry will experience the same type of labor unrest now plaguing the iron mines.

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Argentina: Curbing the Right?

Presidential adviser Jose Lopez Rega's efforts to tone down officially inspired violence, while designed to calm widespread fears, are also aimed at staving off resentment of his rapidly growing power.

In a well publicized reception at his office, Lopez Rega gave his personal assurance to a group of actors who had been threatened by the right-wing Argentine Anti-Communist Alliance that this "terrorist group" will be investigated and destroyed. The organization is thought to have at least the tacit approval of military and government officials, [REDACTED]

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The following day, probably at Lopez Rega's urging, the alliance issued a communique to a Buenos Aires English-language newspaper, announcing a three-month moratorium on its executions. The announcement said that ninety days is a "reasonable time in which to create, adjust, and correct the means to fight the Marxist guerrillas."

Lopez Rega seeks not only to calm fears among Argentines and the foreign business community of continuing warfare between the right and left. The call for a reduction of semi-official violence also is an effort to balance the administration's--and Lopez Rega's--growing authoritarianism. This trend was highlighted by Lopez Rega's recent success in replacing high officials--notably the commander-in-chief of the army and the economy minister--with men more to his liking.

If Lopez Rega indeed controls or influences the Anti-Communist Alliance, his call for a stand-down on its activities seems designed to win points for the government while making it clear to the left that renewed attacks against it are not ruled out. If the left responds by

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reducing its level of activity for a time, Lopez Rega will have created the impression that the government in general and he in particular can deal successfully with extremists of both the left and right.

If, on the other hand, the right should feel obliged to abandon the moratorium because of further leftist provocation, Lopez Rega will still be ahead. Continued violence will only point up the need for more government powers to deal with the threat and Lopez Rega's gesture will appear to have been an innovative approach to the problem of violence. (CONFIDENTIAL)

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Colombia: Fares, Politics, and the Army

Colombian President Lopez is apparently postponing for as long as possible a politically explosive increase in public transportation fares. Such an increase, if history is any guide, would provoke violent protests.

Last week, the government apparently decided to suspend gasoline imports and ration local consumption. By forcing reliance on less expensive domestic production, these moves will keep fuel prices down, although availability will suffer. Public transportation carriers will presumably continue to receive all the fuel they need.

A new cause for violence would be doubly deplored at this time. Cost-of-living demonstrations are already a serious problem, and policy differences regarding the use of army troops to supplement the police have led Lopez to relieve the army commander and to censure other generals.

At best, the President has bought a delay of the inevitable. It can be only a matter of time until the upward pressure on fares has the expected effect. At that time Lopez' problems with the army will very likely be renewed and a state of siege may be the result. (CONFIDENTIAL)

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Nicaragua: A New Deal for the Campesino?

In line with other recent initiatives (see Trends, May 14, 1975), the government of President Anastasio Somoza has created a new agency whose primary purpose is to furnish credit to the most neglected group in the Nicaraguan population, the poor peasants. The National Campesino Development Institute is designed to help the rural poor acquire their own land, promote rural cooperatives and cottage industries, offer technical assistance, and improve the country's marketing infrastructure.

The Somoza government drafted the bill creating the institute as a means of reducing rural unrest by improving living and working conditions in the countryside. After five weeks, an unusually long period of legislative review in Nicaragua, Congress unanimously approved the bill and appropriated \$14.3 million, \$3 million of which will be spent during 1975. There are high hopes of obtaining additional financing abroad, particularly from the United States.

Whether the new legislation will be "revolutionary," as Somoza has characterized it, or merely a quickly forgotten political gimmick remains to be demonstrated. Members of Somoza's own Liberal Party in Congress amended the executive department's draft, purposely subordinating the campesino institute to the Ministry of Agriculture. While this has been interpreted as a guarantee of strong executive department direction and scrutiny, it may have also been an attempt to bury the new agency in a bureaucracy, where many officials have strong ties with agribusiness and the country's traditional land owners, interest groups that would feel most threatened by any significant modification of the present land tenure system.

Given the highly centralized and personalized style of the Nicaraguan government, the effectiveness of the program will depend on President Somoza's continued support,

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but this is not assured. A little over a year ago, Somoza publicly condemned Honduran efforts at rural reform as "pure communism." He has a personal image of himself as a reformer and even a radical, but there is little in his record or background to support such a conclusion. The technocrats, academicians, and foreign experts who sold Somoza on the campesino institute probably invoked an approach similar to that used in Congress--rural unrest will continue and increase unless efforts are made to satisfy the minimal aspirations of the poor rural workers. If his commitment is indeed shallow, serious negative reaction among his wealthy followers or persistent rural protest would offer a ready excuse for scuttling the program.

Outside of the Conservative Party faction that holds the opposition seats in Congress and is thoroughly compromised by its excessive collaboration with Somoza, there is a healthy amount of skepticism toward the new legislation. At the least, it is considered a scheme to coerce the campesinos into a more favorable attitude toward the government. At worst, it is a thinly veiled counterinsurgency vehicle.

During May one group of campesinos showed an unwillingness to wait until the new legislation is fully operational. Poor indian farmers seized land in Leon, claiming tribal rights to the property from God and the king of Spain. Local officials were completely non-plused and, after negotiations failed, used the police to remove the indians. Such incidents are not unknown in Nicaragua. but the publicity accorded this one and heavy student participation in two subsequent peaceful, anti-regime protest marches made the case highly unusual.

While the indians' claim to the property appears legally spurious, Nicaraguan officials who have commented on the case have dismissed it out of hand as a communist or radical plot to embarrass the government.

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They do not recognize or refuse to acknowledge the political and economic shortcomings of a system that allows a high rate of rural unemployment and under-employment, and permits 5 percent of the population to own 90 percent of the land. (CONFIDENTIAL)

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Dominican Republic: President Moves The Pawns

President Joaquin Balaguer has realigned the players on the Dominican chessboard. On June 2 he assigned cabinet level posts to two of the military commanders who resigned last month in protest against Balaguer's appointment of Major General Neit Nivar as chief of the National Police. The President named former army chief of staff Major General Enrique Perez y Perez to the post of secretary of the interior and police, a job he had held in 1970 and again in 1972. The position of secretary of foreign relations went to Commodore Emilio Jimenez, the former navy chief of staff.

For several years, the central element of Balaguer's military strategy has been to play off the two main contenders for influence--Nivar and Perez y Perez--against each other. First he seems to favor one, then the other, always keeping the two ambitious generals off balance. Last month Nivar lost no time after taking over as police chief to start weeding out Perez y Perez' supporters and replacing them with his own men. Nivar now technically becomes the subordinate of his arch-rival, although the police chief traditionally reports directly to the President, so Nivar will retain a measure of proximity to the seat of power. The two generals are not only rivals but bitter enemies, and it is doubtful that they can work together for very long.

Dominican foreign policy has been handled almost exclusively by the President, and this is not likely to change under Jimenez. His predecessor, Victor Gomez Berges, who unsuccessfully ran for secretary general of the OAS last month, now is temporarily consigned to limbo as one of several secretaries without portfolio in Balaguer's cabinet. Gomez' main fault, in the President's eyes, probably was excessive ambition. (CONFIDENTIAL)

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Guyana: Private Enterprise Be Damned!

In an extemporaneous speech to the local chapter of the Jaycees on May 22, Prime Minister Burnham made the most categorical public statement yet of his ideological antipathy to private enterprise and his intention of leading Guyana into the socialist camp.

Burnham lambasted the concept and practitioners of free enterprise, labelled them as Guyana's enemies, and called on his hosts to cut ties with their parent body in the United States. Elaborating on earlier statements regarding his intention to transform Guyana from a parliamentary democracy into a cooperative socialist state (see Trends October 9, 1974), Burnham stressed that his plan differed from orthodox socialism only in its intention to use existing cooperatives as the major instrument for achieving socialism. He stated that "our objective is no different from that of any other socialist state. If you do not wish to share this objective, then, until the time we have educated you, the People's National Congress is not for you."

In sheer rhetorical excess, Burnham was outdone by Ptolemy Reid, deputy prime minister and General Secretary of the governing party, who called for a "socialist revolution and a new dictatorship" in Guyana in a speech to a Guyanese women's group in early May. Reid told his audience that a revolution destined to bring a new order in Guyana was coming and would put power in the hands of the masses. According to Reid, the revolution will accompany a purging and purification which will produce a new set of leaders. Reid has the speaking style of a revivalist preacher and some of his statements can be discounted as rhetorical exaggeration. However, his call for a new dictatorship and his warning to those who are "not with the revolution" are indicative of an increasingly rigid ideological approach at top levels of the party and the government.

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In fine, both speeches confirm other recent indications of an increasing tilt toward radical socialism. More ominous for the Guyanese is the implication in this and other statements by Burnham that his celebrated pragmatism may be giving way to more authoritarian reaction to any resistance to his goal of leading Guyana into the socialist camp. (CONFIDENTIAL)

NOTE

Guyana: The move toward socialism inched forward last week with the announcement by Prime Minister Forbes Burnham of the nationalization of the Demerara Company assets. The somewhat ailing and of late poorly maintained British-owned sugar company's holdings were purchased by the government for about \$7 million. A third of this amount will be paid immediately in cash, with the remainder to be paid with interest in installments over the next ten years. Burnham intends to run the company without the assistance of the only other independent sugar company still in business--Bookers Sugar Estates Ltd. If this plan succeeds, the Guyanese government will undoubtedly accelerate its plans to nationalize the Bookers interests, the last remaining major foreign firm operating in Guyana. (CONFIDENTIAL)

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Cuban Chronology for May 1975

- May 1: Secretary General of the CTC Roberto Veiga speaks at May Day event in Havana.
- May 2-9: Cuban-Soviet Friendship Week.
- May 5: Polish United Workers' Party delegation arrives in Havana.
- Cuban military delegation arrives in Moscow to celebrate 30th anniversary of end of World War II.
- May 6: Cuban-North Korean economic-scientific-technical cooperation talks begin in Havana.
- British trade union delegation arrives in Cuba.
- Senator McGovern arrives in Havana on unofficial four-day visit.
- May 7: Soviet military delegation arrives in Havana.
- Castro meets with Chilean Socialist party delegation headed by Secretary General Carlos Altamirano.
- Guillermo Garcia Frias, PCC Politburo member, receives Costa Loules, official of Greek Communist Party.
- ECLA conference in Port-of-Spain. Cuban delegation headed by Hector Rodriguez Llompart.

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May 8: British economic mission arrives.
Agricultural delegation from Barbados arrives.
15th anniversary of resumption of diplomatic relations between Cuba and the USSR.
Guyanese trade mission arrives.
China-Cuba Trade Protocol signed in Peking.
Castro holds news conference for newsmen accompanying Senator McGovern.

May 8-19: OAS meeting in Washington. It has decided to meet in Costa Rica in late June to consider reform of the Rio Treaty.

May 9: A military parade in Havana marks 30th anniversary of Soviet victory.
Castro speaks to group (including Soviet ambassador) in CTC building commemorating anniversary of Nazi defeat.
Jamaican construction brigade arrives in Cuba for one-year tour.
Members of Jamaican Parliament and a representative from Prime Minister Manley's office arrive in Cuba.
High-level Japanese Communist Party delegation arrives.
Cuba and Sweden sign radio/television exchange agreement.

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May 12-15: French Foreign Minister Norbert Segard arrives. This is the first visit by a French cabinet member. A joint communique is released May 17.

May 13: Cuba and Finland sign radio/television cooperation agreement.

Cuba and Morocco sign bilateral air agreement in Rabat.

May 14: CDR delegation arrives in Budapest.

Delegation of US youth arrives in Havana at the invitation of Union of Young Communists.

May 16: The Cuban-Chinese Friendship Association marks 15th anniversary of its founding in Havana and Peking.

Group of French industrialists proposes contracts to Cuban government totaling more than \$1.2 billion.

May 17: Cooperation agreement between Cuba and UN Development Program signed in Havana.

Carlos Rafael Rodriguez arrives in Lisbon to meet with Prime Minister Goncalves and Portuguese Communist Party officials. He delivers a personal message from Castro.

May 18: Carlos Rafael Rodriguez arrives in London heading an economic delegation. Also meets with Prime Minister Wilson.

May 19: Delegation from the Peruvian Agrarian University arrives in Cuba.

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May. 19: Cuba and UK sign industrial cooperation agreement in London.

Joint communique issued by Communist Parties of Japan and Cuba.

May 19-23: Havana hosts first meeting of Cuban Institute for Friendship with Peoples and West European Association of Friendship with Cuba.

May 20: Delegation of Cuban journalists received by Nguyen Huu Tho chairman of NFLSV in Ho Chi Minh City.

Government of Cuba announces establishment of University of Camaguey.

May 21: Cuban military delegation arrives in Budapest.

Trade between Colombia and Cuba resumes with approval of export of cement to Cuba. Press accounts in Bogota state exchange of trade missions to occur shortly.

May 22: Two Soviet guided missile destroyers arrive in Havana harbor. This is the second Soviet naval visit to Cuba this year.

May 23: Cuban Foreign Ministry issues statement condemning US handling of the Mayaguez incident.

May 25: Cuba releases seven Cuban exile fishermen after holding them since March 19. They were arrested while fishing in Cuban waters.

May 26: 39th meeting of CEMA permanent commission on construction begins in Havana.

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May 26- Cuban delegation arrives in Costa Rica
28: to attend talks on proposed Caribbean
shipping enterprise.

May 28: Cuba's 1975 sugar harvest concludes.
US officials estimate crop of 5.5 mil-
lion tons.

May 30: Castro receives Ali Yata, Secretary Gen-
eral of Moroccan Liberation and Social-
ist Party.

May 31: Cuban military delegation arrives in East
Germany.

Cuba and Czechoslovakia sign scientific-
technical cooperation agreement in Prague.
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